

(c) From the records available with the Assessing Officer of this company, it is not possible to verify whether there was any diversion of funds other than that disclosed in the balance sheet filed with the income tax return.

(d) The income tax paid by the company is Rs. 7866 for Assessment Year 1998-99, Rs. 10052 for Assessment Year 1999-2000 and Rs. 531586 for Assessment Year 2000-2001.

(e) The details of earnings in foreign exchange shown by the company in Schedule 14 filed with the balance sheets are as under: (Rs. in crore)

Assessment Year	Commission received in Foreign exchange (Rs. in crore)
1998-99	0.89
1999-2000	1.68
2000-2001	1.49

#### **World Bank Fund for Andhra Pradesh Forestry Project**

4202. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have approached the World Bank to continue the Andhra Pradesh Forestry Projects (APFP) during 2001 and 2002;

(b) if so, whether the request of Andhra Pradesh for funding the second phase of APFP has been conveyed to the World Bank; and

(c) the steps being taken by Government to continue the project and to get the funds released for the 2nd phase?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Yes, Sir.

(c) Phase I of the Andhra Pradesh Forestry Project came to an end in September, 2000. The Government of India have approached the World Bank for funding Phase II of the project and retroactive

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financing of project activities beyond 30.09.2000. The World Bank has also been approached for extending project preparation funds to the extent of US \$ 1.50 million. The World Bank has responded by stating the request is being processed and the proposal is at the identification stage.

### **Monitoring of fiscal programmes of States**

4203. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether after Government's proposal of Rs. 4,243 crore incentive fund for performing States, Government have set up a Committee to monitor their fiscal programmes;

(b) if so, to what extent this proposal will help to correct the messy State finance;

(c) whether this new incentive fund mechanism has been welcomed by all the States; and

(d) to what extent the Committee has been helpful in monitoring reforms for this incentive fund?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Pursuant to the recommendations of the Eleventh Finance Commission (EFC) on Additional Term of Reference, Ministry of Finance has set up an Incentive Fund for Fiscal Reforms in States and a Monitoring Committee for this purpose. Given the broad contours of the fiscal objectives as recommended by EFC, the States have been invited to draw their respective Medium Term Fiscal Restructuring Policy aimed at improvement in revenue deficit/surplus of the State. As a collaborative exercise between the Centre and the State, the Monitoring Committee will monitor the fiscal reforms programme of the State during the EFC award period for release from the Incentive Fund.